

RECREATION CENTERS OF SUN CITY, INC.
MINUTES REGULAR BOARD MEETING
March 31, 2016

At the Regular Monthly Board Meeting called to order by President Schroeder at 9:00am on March 31, 2016 at Sundial Auditorium, the following took place:

PRESENT: Dan Schroeder, President; Rich Hoffer, Vice President; Michael Kennedy, Treasurer; Carol Lawry, Secretary; and Directors; Ida Eisert, Ron Smith, Peter Lee and Gary Cotten

ALSO PRESENT: Jan Ek, General Manager; Stephanie Haholy, Executive Assistant to General Manager; Jim Wellman, Assistant General Manager; Linda Menna, Executive Assistant to AGM; Brian Duthu, Director of Golf; Joelyn Higgins, RCSC Communication & Marketing Coordinator; Marcia Johnson, Executive Coordinator; Allen Kleinhans & Jason Lynn RCSC Audio/Video Technicians; 85 RCSC Cardholders and 3 members of the press.

ABSENT: RCSC Board Director, Jerry Walczak

Pledge of Allegiance: Everyone stood for the Pledge of Allegiance.

Board Quorum: Secretary Lawry verified that a Board Quorum was present.

President Comments: President Schroeder explained the process for a Regular Board Meeting and how the Board conducts business. He introduced the Directors and members of the Management team.

Minutes: On Motion by Director Lee and seconded by Treasurer Kennedy, the Minutes of the February 25, 2016 Regular Board Meeting were unanimously approved.

Treasurer's Report: Treasurer Kennedy presented the Treasurer's Report. On Motion by Director Lee and seconded by Vice President Hoffer, the Report was unanimously approved. The monthly Treasurer's Report is available at www.sunaz.com, along with the monthly financials.

Management Reports: Jan Ek, General Manager; Jim Wellman, Assistant General Manager, and Brian Duthu, Director of Golf, presented their Management Reports. All the management reports are available at www.sunaz.com.

Committee Reports: The Directors reported on Committees as follows:

Bowling Committee: Chair Carol Lawry reported that Director of Bowling, Randy Johnson informed the Committee that all remodeling work at both Bell and Lakeview Centers is complete and everyone is enjoying the changes. The League Officers Tournament and the 28th Annual Sun City Open are the two large events we have scheduled for the months of March and April. Information for both tournaments is available online and at both centers. The next meeting is April 7, 2016 at 9:00am.

Club Organization (COC): Chair Dan Schroeder reported that the Committee heard reports from Barry Masloff who updated the COC's on projects that may affect the Clubs; and also from Myrna DeBruyne who provided an update on administrative paperwork related to clubs. The COC's reported on their respective clubs with discussions following. If you are interested in joining the COC Committee, you can contact our corporate office for information. The next meeting is April 13, 2016 at 1:00pm.

Elections: Chair Rich Hoffer reported that the Committee discussed qualifications needed to become a candidate. Candidates will be able to get their vote total by visiting the Board Office and completing a request form this year. The 2016 Candidate Survey Form is scheduled to appear in the April Sun Views and will go out to cardholders in an email blast by the end of March. We are in need of some additional Committee members so if anyone is interested in serving and being part of the election process, please see me or my Co-Chair, Ron Smith, after the meeting; or, you can also call the Board office for more information. The next meeting is April 20, 2016 at 1:00pm.

Entertainment: Chair Ida Eisert reported that the Committee reviewed the three performances from March which were, House of Steel, Jumpin' Jack Flash-A Rolling Stones Tribute, and The Original Kingsmen. Thanks to Theresa Cirino we have a variety of entertainment to delight all members of our community. The Committee will be reviewing The 8 Track (A Sun City Group), Coral Paradis Band, Harmony and Crosby, Stills, Nash & Young Tribute. These groups are scheduled for the month of April at the Sun Bowl. You can always join us opinions are welcome. The next meeting is April 26, 2016 at 1:30pm.

Finance & Budget: Chair Mike Kennedy reported that the Committee will hold its first meeting of the year next month which will be a review of the first quarter financials with a comparison to budget. These meetings are always open to Members and we encourage anyone interested to attend. When the date is determined, it will be posted on the RCSC website.

Golf Advisory: Co-Chair Rich Hoffer reported that Director of Golf, Brian Duthu, reported that February rounds played for all courses posted the 2nd highest total since 2009 and posted 248 more rounds than last year. Our first night golf event of the season is scheduled for April 23rd at Lakes East Golf Course. Details and signup sheets are available at each pro shop. The Committee discussed the upcoming tournaments and course reports were provided. We are always looking for more rangers so if you are interested in volunteering and becoming a ranger please call us at 623-876-8419. The next meeting is April 21, 2016 at 8:30am.

Insurance Committee: Chair Gary Cotten reported that the Committee met with RCSC's account executive at Lockton Companies, our insurance broker, for an initial review of our upcoming renewal. Lockton reported that with the soft insurance market our Traveler's renewal, excluding workers compensation, should hopefully see a rate reduction. Workers compensation experience modification factor will increase by 12%, despite RCSC's efforts to promote safety practices amongst its work force; claims made drives this factor. The Directors & Officers liability insurance will likely have a 20% or more increase in premium. Lockton Companies is currently in the process of receiving quotes from our current carriers for our upcoming renewal in June. The insurance committee will meet again once the quotes have all been finalized.

Lawn Bowling: Chair Gary Cotten reported that Brian Duthu and Robert Ortiz informed the committee that aerifying the greens with solid tines will begin within the next month. Grounds

crews are going to start using a wetting agent to improve the effectiveness of watering. There are plans to install sprinklers in the four corners on the greens at Fairway, this will help control carpet fibers picked up on the bowls. The next meeting is scheduled for April 12, 2016 at 1:00pm.

Outreach & Communication: Chair Ron Smith reported that the Committee discussed ways of getting information out to our community via Pod Casts. Surveys are still being distributed and completed by new members during their initial visit to Cardholder Services. Elections Committee Chair, Rich Hoffer discussed the upcoming election, when packets will be available as well as recruiting new candidates. Ron also stated that Rich Hoffer, Chair of the Elections Committee, discussed the upcoming election and that over 70% of the members who were candidates had served on at least one Committee prior to running. The next meeting is scheduled for April 12, 2016 at 9:30am.

Properties: Chair Peter Lee reported that the Committee met for its first quarterly meeting. This is when all the property inspectors go over their reports with Jim Wellman, or one of his staff, so the inspectors are satisfied that any concerns they may have raised are resolved. During April, May and June, the inspectors will once again inspect all their assigned properties in preparation for our next meeting. We are in need of more inspectors so if anyone is interested, you can see me or my Co-Chair, Ida Eisert, after the meeting; or, you can call the Board office for more information. The next meeting is June 28, 2016 at 9:00am.

Other reports:

SC Foundation: Peter Lee, President of the Sun City Foundation, stated that the last meeting was March 10, 2016 and the next meeting is scheduled for April 14, 2016 at 1:00pm. The purpose of the SC Foundation is to assist those who have outlived their financial resources. If you have any interest in becoming a Director for the Foundation you can contact myself, my Co-Chair Carol Lawry or call the Board office.

SC Community Assistance (SCCAN): Peter Lee, liaison to SCCAN, reported that SC CAN, through AARP tax aid, offers free income tax preparation for seniors. They have 60 volunteers who process 50 federal and 50 state tax returns on a daily basis. Tax aid volunteers are at the CAN office Monday through Thursday preparing tax returns each week. The Office also offers a property tax credit program for low income households.

Sun City Home Owners Association (SCHOA): Gary Cotten, liaison to SCHOA along with Mike Kennedy, reported on a follow up to the February report regarding SCHOA's CC&R's workshop. He wanted to remind you that monthly statistics are available to SCHOA members on a monthly or year-to-date basis. These reports show the number of complaints in eleven categories including the number of pending and resolved cases. There were 375 new violations reported for February and 1,137 year to date. In addition there have been 959 inspections made in February with 2,926 year to date.

If you would like to get more information on this issue please contact SCHOA about becoming a member. For times and dates of future meetings please visit their website at www.suncityhoa.org.

Sun City Home Owners Association (SCHOA): Mike Kennedy, also liaison to SCHOA, reported that SCHOA is having their annual fair with all vendors they consider "Preferred

Vendors” and also a Red Cross Blood Drive at Sundial. He also attended the Transportation meeting with discussion on drainage canals and repairs on 99th Ave. MAG (Maricopa County Government) has had plans to have an overpass at 103rd Ave and Grand with no access to 103rd Ave. The fire department went to ADOT and explained that emergency vehicles would have to speed down residential streets to get to Banner Boswell Hospital. ADOT has put this off and will redesign the overpass. Last item of discussion was erosion going on in the middle of 99th Ave. Storms in July and August will cause more erosion and 99th Ave may start to collapse so more research is being done to confirm stability.

SC Posse: Ron Smith, liaison to the Posse, reported that the Posse is finally getting new members the correct training and there will be a few more classes next month. They have 4 new members currently on street patrol. If you are interested in volunteering, please contact the Posse at 623-972-2555.

SC Fire Department: Rich Hoffer, liaison to the Fire Department, reported on a survey done regarding the upcoming bond fund. Three hundred (300) citizens who voted the last four (4) years were called and 78% saw the need for passing the bond with 49% agreeing that they were moving in the right direction. There will be a \$21.00 per household per year increase in taxes. Next month at the meeting they will decide for the November ballot.

Friends of the Library: Ida Eisert, liaison to Friends of the Library, reported the Friends met on March 10, 2016. Three (3) of the Friends long term goals are:

1. Promote lifelong learning within the community.
2. Maintain a cooperative relationship with the Maricopa County Library District and RCSC.
3. Develop and maintain a strong volunteer program.

Thinking of volunteering? You might want to consider the Friends of the Library. Their next meeting is April 14, 2016 at 9:30am at the Bell Center library.

NOTE: Unless otherwise stated above, all Committee meetings are held in the Lakeview Board Room (upper level) of Lakeview Center. Committee meeting dates can change so be sure to check the RCSC website at www.sunaz.com for the most up to date report on dates and times for meetings.

Member Comments: A number of members commented on the Vintage Vehicle Clubs proposed building site, one member thanked the Board for volunteering to do the job they do, and one member talked about closed meetings.

Prior to the Motions being presented, Secretary Lawry asked to table Motion #1 for further discussion and Director Lee seconded it. Vote was taken, the request was defeated and the motion was presented.

Motions: The following Motions were presented:

#1 PIF and Long Range Plan: Treasurer Kennedy moved for approval of the updated Preservation & Improvement Fund – Long Range Plan & Budget as detailed below: Seconded by Vice President Hoffer. Prior to Director Lee voting on the Motion he asked to make a comment on one of the changes recently to the PIF. We currently have in the PIF \$2,000,000.00 to do changes to the landscape which will reduce the amount of water being pumped from our wells. This is being done on three (3) courses already and possibly in the future will encompass all other courses and make changes in the landscape. This potentially could add about \$3,000,000.00 to PIF for the future. The concept to reduce the amount of water we pump is a good idea and not just a golf course issue, it affects all people who live on a golf course. I just thought you should know that the current landscape you have will be different and now I vote yes. The Motion was approved with Secretary Lawry and Director Eisert opposed.

Recreation Centers of Sun City, Inc.
Preservation & Improvement Fund
Long-Range Plan & Budget

2016:

Lakes East - irrigation system & perimeter turf reduction	\$2,113,065
Willowbrook - irrigation pump station & lake renovation	\$565,400
Skilled Trades & Willow Golf Maintenance Building	\$1,600,000

2017:

Willowcreek & Willowbrook irrigation system, pump stations both courses, reconstruction of irrigation lakes on both courses (less what's completed in 2016), and 5, 7, 9, & 18 greens at Willowcreek	\$5,334,000
Willowbrook perimeter turf reduction	\$564,175
Willowcreek perimeter turf reduction	\$825,995
Replace South Pro Shop & add golf cart storage	\$1,600,000

2018:

Replace Golf Maintenance Building- location TBD	\$750,000
---	-----------

2019:

Exercise Option to Buy Out Solar System Lease	\$5,545,216
Replace Golf Maintenance Building- location TBD	\$750,000

2020:

Mountain View Center - complete renovation with demolition of current buildings except Player's storage	\$9,500,000
Replace Golf Maintenance Building - location TBD	\$750,000

2022:

Administration Building - replace warehouse	\$5,000,000
--	-------------

2023:

Lakeview Center - renovation of current center structure	\$8,400,000
---	-------------

2024:

Lakes East/West - expand snack shop, patio and golf cart storage	\$1,200,000
---	-------------

#2 Insurance Committee – New Member Approval: Director Cotten moved that Dave Wieland be approved to serve as a member of the Insurance Committee. The Board’s approval of the appointment of Committee members is required by Arizona Revised Statutes §10-3825, and as stated in the Corporate Bylaws. Seconded by Director Smith, the Motion was unanimously approved.

#3 Bowling Committee – New Member Approval: Secretary Lawry moved that Don Meyers, John Kaus and Lovie Tiedje be approved to serve as members of the Bowling Committee. The Board’s approval of the appointment of Committee members is required by Arizona Revised Statutes §10-3825, and as stated in the Corporate Bylaws. Seconded by Vice President Hoffer, the Motion was unanimously approved.

#4 Finance & Budget Committee – New Member Approval: Treasurer Kennedy moved that Norm Dickson and Dave Wieland be approved to serve as members of the Finance and Budget Committee. The Board’s approval of the appointment of Committee members is required by Arizona Revised Statutes §10-3825, and as stated in the Corporate Bylaws. Seconded by Vice President Hoffer, the Motion was unanimously approved.

#5 COC Committee –New Member Approval: Vice President Hoffer moved that Mary Scherkenbach be approved to serve as a member of the COC Committee. The Board’s approval of the appointment of Committee members is required by Arizona Revised Statutes §10-3825, and as stated in the Corporate Bylaws. Seconded by Treasurer Kennedy, the Motion was unanimously approved.

Next Meetings: President Schroeder reported that the next Board/Member Exchange, with Agenda, is Monday, April 11, 2016 at 9:00am in Social Hall #3 at Lakeview Center. The next Regular Board Meeting is Thursday, April 28, 2016 at 9:00am at Sundial Auditorium.

Adjournment: The meeting adjourned at 10:28am

Respectfully submitted,

Carol Lawry, Secretary